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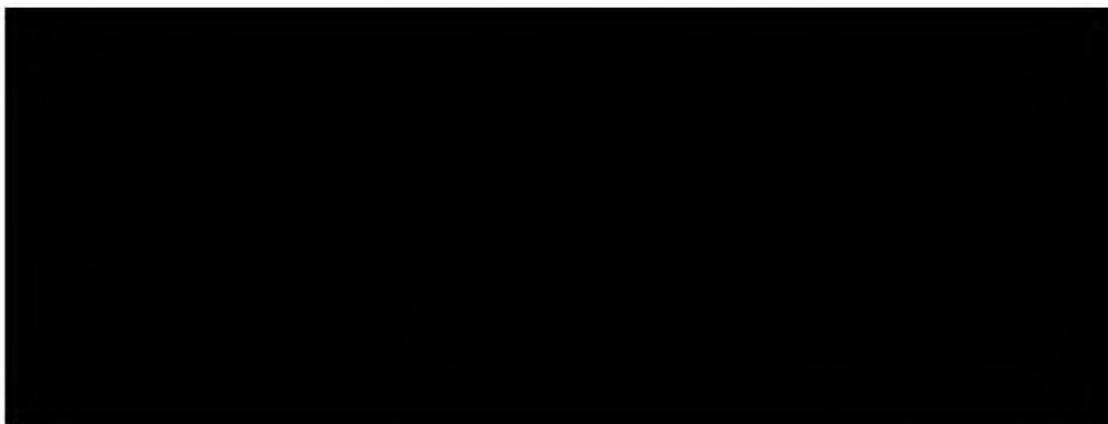
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4. SOVIETS HARASS WESTERN TRAINS BETWEEN BERLIN
AND WEST GERMANY

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On the night of 20-21 November, five of the seven regularly scheduled Allied military trains passing between Berlin and West Germany were subjected to unusual controls and delays by Soviet authorities at the East German border point at Marienborn. Three American, one British and one French train were detained in train sheds where an unusual number of armed Soviet soldiers were on hand.

The Soviet authorities demanded individual travel orders for the passengers of the trains. They also attempted to board trains to check passengers, in one instance telling an American train commander that a "new agreement" confirmed their right to do so. In each instance train commanders refused to permit boarding of the trains, and the Soviet officials did not press the point, although they insisted that in the future Russian translations of travel orders would be required. The Soviet authorities showed a particular interest in civilian passengers. A British officer was warned that British trains would not be allowed to proceed the night of 22 November unless they produced individual travel orders.

Comment

The Soviet commandant at Marienborn several days ago announced that more detailed documentation would be necessary. The Soviet authorities are probably exerting pressure in the matter of train documentation in order to test Allied reaction, just as from time to time various new requirements have been made in connection with highway travel to Berlin. Although these demands present no immediate threat to Allied access to Berlin, they may be the forerunner of more serious restrictions on rail and highway access.

The United States, Britain and France run passenger and freight trains to Berlin under a four-power

agreement which sets no limit on the categories or nationalities of personnel who may be carried. The only limits are those which the Western military commanders have imposed unilaterally, with considerable variation among them. Heretofore Soviet authorities have not required travel orders or identity documents of passengers.

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~~SECRET~~**8. EGYPTIAN ECONOMIC SITUATION REPORTED CRITICAL**

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[REDACTED] Egypt's economic situation, which has been worsening since the nationalization of the Suez Canal, is now critical, [REDACTED]

The sequestration of Anglo-French banks and the restraints placed on commercial enterprises controlled by British, French or Jews, as well as the sequestration of some "neutral" foreign enterprises, have created great dislocation and a near breakdown of the credit system. The effects of this situation are being felt by the middle class and are likely to be felt by the whole population unless the credit system is revived in the next few weeks.

While organized opposition to the Nasr regime is still not apparent, large numbers of persons are potentially disaffected because of growing unemployment and dislocation caused by war conditions. (NOFORN)

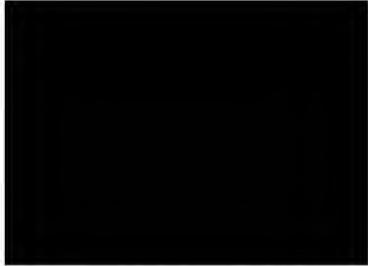
Comment

The Nasr regime is apparently embarked on a campaign to drive all Western European and Jewish economic interests out of Egypt regardless of the consequences. Some 40 British and French nationals long residents of Alexandria have been ordered to leave the country on six days notice, and about 500 Jews of various nationalities are reported imprisoned there. The apparent absence of any plans for administering sequestered "enemy" property in Egypt adds to the confusion and deterioration of the economic situation.

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9. MOLOTOV'S APPOINTMENT AS MINISTER OF STATE CONTROL

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The appointment of Molotov to the post of USSR minister of state control, announced on 21 November, appears to represent a reduction rather than an increase in authority for the former minister of foreign affairs. It makes unlikely his succession to Khrushchev's post of party first secretary which had been rumored as a result of Soviet setbacks in Eastern Europe. Former ministers of state control have been second-level government officials.

Molotov retains his rank as first deputy premier, however, and there is a possibility that the responsibilities of his new post have been increased. The party central committee at a recent meeting reportedly took steps to increase the responsibilities of ministers concerned with the execution of government directives and the fulfillment of economic programs. The Ministry of State Control is one of several organizations which have been charged with checking for violations and corruption within all economic organs as well as investigating the nonfulfillment of government decrees. It has had no supervisory powers over the party and has never exercised a powerful influence in top party circles.

(CONFIDENTIAL)

10. MOSCOW-BELGRADE PROPAGANDA FIGHT DEVELOPING

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The polemics between Moscow and Belgrade over Tito's speech condemning Soviet bloc Stalinists will make a compromise even more difficult between national communism and Moscow's idea of a unified "socialist camp." It will make it more difficult for the Soviet Union to relax controls in Eastern Europe. It is already forcing other Communist party leaderships to choose sides on the issue.

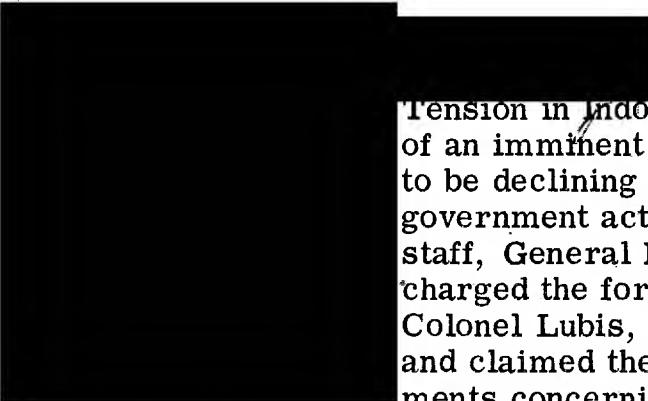
Pravda on 19 November accused Tito of endangering international proletarian solidarity, interfering in the affairs of other Communist parties and echoing reactionary propaganda. It said that Tito was contradicting his professed support for the principle of different roads to socialism by trying to make the Yugoslav example the only one to be followed. The very brief Pravda summary distorted Tito's remarks to justify the use of Soviet troops in Hungary and ignored Tito's claim that the first Soviet intervention was wrong.

Borba retorted on 21 November that Pravda was unwilling to acquaint the Russian people with the very views which it criticized. Moscow is accused of wanting to deny Tito the right to free, honest, frank, and equal discussion between Communists called for by their joint party communiqué of last June.

The Hungarians broadcast the full text of the speech on 16 November, but have not yet commented. Poland, while not presenting the text in full, did include Tito's remarks critical of the Soviet Union and praised Tito for condemning not only Stalinism, but the system which permitted it to develop. Bulgaria, Czechoslovakia and Rumania, on the other hand, followed Moscow's lead and severely criticized the speech. (CONFIDENTIAL)

11. TENSION IN INDONESIA SLACKENS

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Tension in Indonesia arising from fears of an imminent army coup now appears to be declining largely because of firm government action. The army chief of staff, General Nasution, on 21 November charged the former deputy chief of staff, Colonel Lubis, with organizing a coup, and claimed the army possessed documents concerning his antigovernment activities. Lubis is now charged with desertion, since it has been 12 days since he was summoned to appear before the chief of staff.

Although an attempted coup by Lubis and his supporters remains a continuing possibility, the government appears to command enough loyalty in the army to counter any such development.

Should a coup be attempted, the most likely time would be after 24 November, when a reunion of Indonesian army academy graduates in Djakarta would permit co-ordination of plans. Those attending will comprise a large percentage of battalion and company commanders in West Java, among whom there is strong anti-Nasution sentiment.

12. HUNGARIAN REGIME ADOPTING INCREASINGLY INDEPENDENT PUBLIC LINE

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The Hungarian regime apparently hopes to conciliate and win over the hostile and suspicious population by adopting an increasingly independent public line.

The USSR may have granted the Kadar regime the right to speak independently in an effort to develop a measure of popular support for Kadar.

On 16 November, the Hungarian party paper reprinted in its entirety the Tito speech attacking continued Stalinism in the Kremlin; on 19 November the trade union journal reprinted Nehru's criticism of the presence of Soviet troops in Hungary; and on 20 November, the press expressed grave concern that the continued presence of Soviet troops in Poland might set a precedent for Hungary.

According to a 21 November press report, the Budapest workers' council called a new three-day general strike to protest the prohibition of a national "working parliament" called by the various workers' councils. (CONFIDENTIAL)

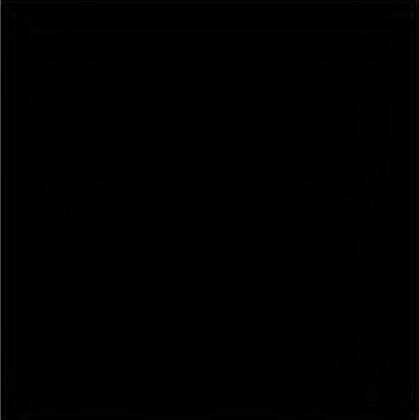
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**14. MOROCCANS MAY TAKE ACTION AGAINST FRENCH USE
OF US BASE FACILITIES**

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 Moroccan nationalists are considering demonstrations against the French army's construction activity at the American-French naval air base at Port Lyautey, the American embassy in Rabat reports. The Moroccans are also talking of raiding the American wharf where the French on 18 November offloaded military stores, airplane spare parts, and construction material.

The embassy adds that the French are presumably aware of this possibility because on 19 November they stationed three heavy armored cars and a half-track on the wharf. The American commander, who reports the possibility of a strike of American-employed Moroccans, has prepared defensive positions near the wharf. (NOFORN)

Comment	The United States has nearly exclusive use of the jointly operated Port Lyautey base. When the French army began construction of a warehouse on the American wharf on 12 November over the objections of the sultan and the US, the Moroccans assumed that the French had American permission.
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The French army recently encountered some difficulty in landing troops and offloading supplies outside the base when Moroccan port workers struck in protest. It apparently hopes to use the base in an attempt to avoid similar incidents in the future.

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